GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA

UNSTARRED QUESTION NO:535
ANSWERED ON:26.07.2000
FOREIGN DIRECT INVESTMENT
SUBODH MOHITE

Will the Minister of AGRICULTURE be pleased to state:

(a) whether Food Processing Sector has failed to attract Foreign Direct Investment (FDI);

(b) if so, the details and reasons therefor;

(c) details of the proposals received and actually implemented with the help of F.D.I. during the last three years; and

(d) the steps proposed by the Government to attract more F.D.I. in this sector?

Answer

THE MINISTER OF STATE FOR FOOD PROCESSING INDUSTRIES (SHRI TH. CHAOBA SINGH)

(a): No, Sir.

(b): Do not arise.

(c): During the period 1997-98 to 1999-2000, 137 Foreign Investment Proposals in food processing sector were approved, envisaging Foreign Investment of Rs.1980 Croresapproximately. Actual implementation details for the three year period are not available. However, 114 projects were implemented during the period 1991-Dec., 1999 with inflow of foreign investment of over Rs.2299 crores.

(d):
(i) Automatic approval for foreign equity up to 100% is available for most of the processed food items, subject to certain conditions.

(ii) Food Processing Industries have been included in the list of priority sector.

(iii) Most of the processed food items have been exempted from the purview of licensing under Industries (Development & Regulation) Act, 1951.